

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2015**

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BILL DRAFT 2015-MCz-193A [v.3] (01/08)

(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)

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Short Title: Eliminate Use of Development Tiers.

(Public)

Sponsors: (Primary Sponsor).

Referred to:

A BILL TO BE ENTITLED
AN ACT TO ELIMINATE THE USE OF THE ECONOMIC DEVELOPMENT TIER
STRUCTURE.

The General Assembly of North Carolina enacts:

SECTION 1.(a) The Departments and Authority listed in this section shall, no later than July 1, 2017, discontinue the use of the development tier designations determined pursuant to G.S. 143B-437.08 for all purposes and programs, including the North Carolina Development Farmland Preservation Trust Fund, the Spay and Neuter Program, the Abandoned Manufactured Home Cleanup Grants Program, the State Wastewater Reserve, the State Drinking Water Reserve, the Public Safety Assistance Points Grant Program, Oral Health Preventive Services, Medication Assistance, Qualified Allocation Plan for Low Income Housing Tax Credits, and the Strategic Prioritization Funding Plan for Regional Impact Transportation Investment Projects. This section applies to the following:

- (1) The Department of Agriculture and Consumer Services.
- (2) The Department of Environmental Quality.
- (3) The Department of Information Technology.
- (4) The Department of Health and Human Services.
- (5) The North Carolina Housing Finance Agency.
- (6) The Department of Transportation.

SECTION 1.(b) Each entity to which subsection (a) of this section applies shall independently develop criteria designed to achieve each program's objectives to be used in place of development tier designations and shall report by October 1, 2016, the developed criteria to the Fiscal Research Division and as follows:

- (1) The Departments of Agriculture and Consumer Services and Environmental Quality to the Joint Legislative Oversight Committee on Agriculture and Natural and Economic Resources.
- (2) The Department of Information Technology to the Joint Legislative Oversight Committee on Information Technology.
- (3) The Department of Health and Human Services to the Joint Legislative Oversight Committee on Health and Human Services.
- (4) The North Carolina Housing Finance Agency to the Joint Legislative Oversight Committee on General Government.

SECTION 2.(a) The Department of Commerce shall, no later than July 1, 2018, discontinue the use of the development tier designations determined pursuant to



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G.S. 143B-437.08 for all grant determinations, calculations of award amounts, calculations of local match amounts, and other purposes for all programs, including the Industrial Development Fund Utility Account, the Job Maintenance and Capital Development Investment Fund, the One North Carolina Fund, the North Carolina Green Business Fund, the Main Street Solutions Fund, the Building Reuse and Economic Infrastructure Program, the Job Development Investment Grant Program, and Community Development Block Grants.

SECTION 2.(b) The Department of Commerce shall develop criteria designed to achieve departmental programs' objectives to be used in place of development tier designations. In developing criteria, the Department shall engage local and regional economic development professionals and stakeholders, the State demographer, the Assistant Secretary for Workforce Solutions, the Assistant Secretary for Rural Economic Development, and others the Commission deems beneficial. Upon determining the newly developed criteria to be used, the Department shall submit the plan setting forth the developed criteria to the Rural Infrastructure Authority for formal approval, and, by January 1, 2018, shall report on the plan to the Fiscal Research Division and the Joint Legislative Oversight Committee on Economic Development and Global Engagement.

SECTION 3.(a) There is created the North Carolina Commission on Economic Development for Distressed Communities (Commission).

SECTION 3.(b) The Commission shall consist of 22 members as follows:

- (1) Ten members appointed by the President Pro Tempore of the Senate as follows:
 - a. Six persons who are members of the Senate at the time of appointment.
 - b. Four persons who are members of the general public representing local government and businesses from counties ranked, pursuant to G.S. 143B-437.08, as the 20 most distressed counties for the previous six years, without making adjustments for certain small counties provided in G.S. 143B-437.08(e).
- (2) Ten members appointed by the Speaker of the House of Representatives as follows:
 - a. Six persons who are members of the House of Representatives at the time of appointment.
 - b. Four persons who are members of the general public representing local government and businesses from counties ranked, pursuant to G.S. 143B-437.08, as the 20 most distressed counties for the previous six years, without making adjustments for certain small counties provided in G.S. 143B-437.08(e).
- (3) The Secretary of Commerce, or the Secretary's designee, shall serve as an ex officio, nonvoting member of the Commission.
- (4) The President of the North Carolina Community College System, or the President's designee, shall serve as an ex officio, nonvoting member of the Commission.

SECTION 3.(c) The Speaker of the House of Representatives shall designate one Representative as cochair, and the President Pro Tempore of the Senate shall designate one Senator as cochair. Vacancies on the Commission shall be filled by the same appointing authority that made the initial appointment. A quorum of the Commission shall be a majority of its members.

SECTION 3.(d) The Commission shall reexamine North Carolina's strategy for identifying and assisting economically distressed communities to develop a comprehensive State strategy to address chronic distress and target State aid to those communities. As part of this study, the Commission shall do at least the following:

- (1) Determine how and at what geographic levels economic distress should be measured.
- (2) Decide what measures, including, at a minimum, educational attainment and labor force participation rates, data sources, and time periods should be utilized to determine which areas of the State are experiencing economic distress.
- (3) Review the mission and resources of existing development programs and tools provided to assist distressed communities.
- (4) Identify how State resources can be directed to alleviate distress within North Carolina.
- (5) Consider the Appalachian Regional Commission model for identifying distressed areas and offering capacity-building strategies for use in the State.
- (6) Recommend strategies for new economic development programs and for improving access to existing economic development tools for businesses and individuals in distressed communities.
- (7) Create a measurement plan with goals, objectives, time frames, and action steps that will assess progress towards the overall goal of reducing or eliminating economic distress within North Carolina.

SECTION 3.(e) The Commission may meet at any time upon the joint call of the cochair and may contract for assistance from non-State personnel as the Commission deems necessary. The Department of Commerce shall provide facilities for meetings and shall assign administrative and professional staff to assist the Commission in its work. Members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1, 138-5, or 138-6, as appropriate. All State departments and agencies and local governments and their subdivisions shall furnish the Commission with any information in their possession or available to them.

SECTION 3.(f) There is appropriated from the General Fund the sum of two hundred thousand dollars (\$200,000) for the 2016-2017 fiscal year and the sum of two hundred thousand dollars (\$200,000) for the 2017-2018 fiscal year to fund the Commission established in subsection (a) of this section. Funds remaining unexpended at the end of the 2016-2017 fiscal year shall not revert to the General Fund but shall remain available for use by the Commission in completing its work.

SECTION 3.(g) The Commission shall submit a final report of the results of its study and its recommendations for meeting the needs of North Carolina communities with chronic economic distress, including any proposed legislation, to the General Assembly no later than March 1, 2018. The Commission shall terminate on March 1, 2018, or upon the filing of its final report, whichever occurs first.

SECTION 4. This act is effective when it becomes law.